



China Market Update

**AOT World Tour
December 2-4, 2014**



China Market Update

- 
- Market Overview
 - Outbound China
 - Inbound US
 - Traveler Profile
 - Market Preferences
 - Destination Drivers
 - Trade Overview
 - Media Overview

Market Overview



- **Size:** massive market size of 1.36 billion
- **Potential:** only 7% of this population now traveling overseas
- **Growth:** number of outbound travelers to double in next 6 years to 200 million
- **U.S. Market Share:** only 3% of outbound Chinese travelers are now traveling to the U.S.

China Outbound Travel Market

2003	20.22 million
2012	83 million (6% of China's population!)
2013	97 million
2014 est.	114 million
2020 est.	200 million



Sources: U.S. Department of Commerce, IATA, National Travel and Tourism Office

Chinese Visitors to the U.S.

- **2003 Under 200,000**
- **2013 1.8 million (+22.6%) #5 overseas market**
- **2014 est. 2.18 million (+21%) #4 overseas market**
- **2017 est. 3.66 million (+18%) #3 overseas market**
- **2018 est. 4.31 million (+18%) #2 overseas market**
- **2020 – est. 4.8 million (+11%) #1 overseas**



Chinese Spend

Disposable Income

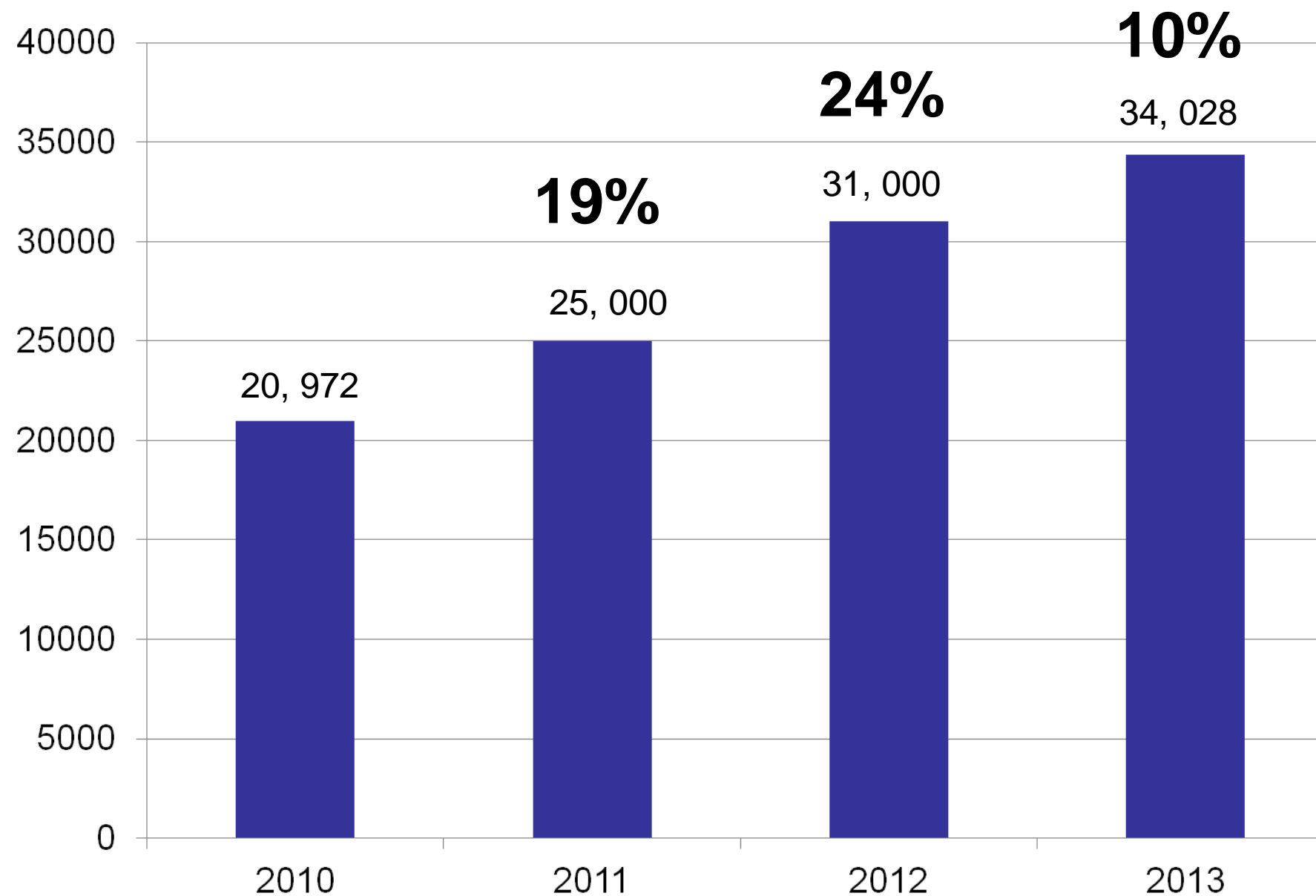
- Chinese disposable income is growing at 20% per year
- Chinese middle and upper class spend 19% of their disposable income on travel



Spend

- The Chinese Currency (YUAN) is appreciating making travel to the US increasingly affordable
- Chinese spend on average \$6,000 per person per trip to the US (highest)

Chinese Visitation to Arizona



Source: Tourism Economics

China Airlift to the US

Key China Source Markets

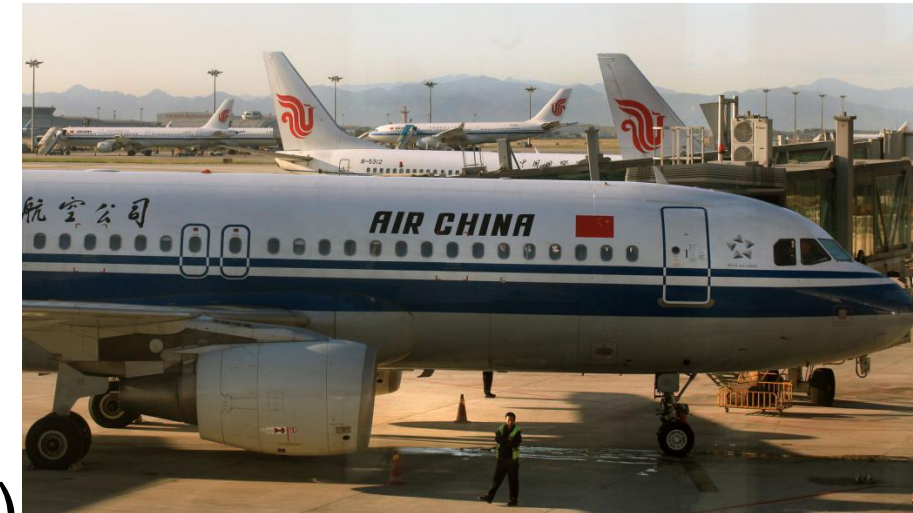


U.S. Gateways

- 
- Los Angeles
 - San Francisco
 - Seattle
 - New York
 - Washington DC
 - Saipan
 - Boston
 - Chicago
 - Houston
 - Dallas
 - Detroit
 - Anchorage

New China-US Flights 2014

- January Beijing to Honolulu (Air China)
- April Beijing to Honolulu (Hawaiian Air)
- June Beijing to Boston (Hainan Airlines)
- June Beijing to Washington (Air China)
- June Shanghai to Dallas (American)
- August Guangzhou to New York (China Southern)
- October Shanghai to Guam (United)
- December Guangzhou-Wuhan to San Francisco (China Southern)



Ports of Entry

Los Angeles	45%
San Francisco	21%
Chicago	10%
New York	8%
Seattle	3%





New Visa Policy as of 11/10

Validity of tourist and business visas extended from 1 to 10 years.

"This policy move **will harness the colossal and growing Chinese travel market** for the direct benefit of U.S. job creation, exports and economic growth. The effects will be both strong and immediate..." **Roger Dow, US Travel Assoc. President and CEO**

"We've heard from tour companies that Chinese travelers want to experience more of the United States. The longer visa validity allows them **to look beyond the gateways**. It's sure to benefit smaller cities and the nation's heartland." **Pam Inman, NTA president**

Take Aways

- Huge market growth
- Speed of change
- Phenomenal potential



What do the Chinese Want?



Key China Trends

- **Rapidly Evolving Profile of Chinese Travelers**
 - Leisure travel soaring: 63% share and rising
 - Rapid shift from multi-destination to multi-experience
 - Accelerating shift from package tours to FIT – 30% and rising thanks to visa flexibility and rapidly growing sophistication of Chinese travelers
- **Segmentation**
 - Group – 50% ○ FIT – 35%
 - Business – %12 ○ MICE – 2% ○ Medical – 1%



Key China Trends



Implications

Beyond-the-Gateway Potential: the Chinese travel trade are hungry for new itineraries and new tour products

FIT/Luxury Booming: FIT/luxury travel products are rapidly becoming established and will see the greatest growth over the coming decade

MICE Market: China is a huge MICE market, esp. for midsize and large-size incentive groups to the U.S.



Source: Brand USA

Destination Drivers to the US



- Americana
- General tourism/Sightseeing
- Shopping

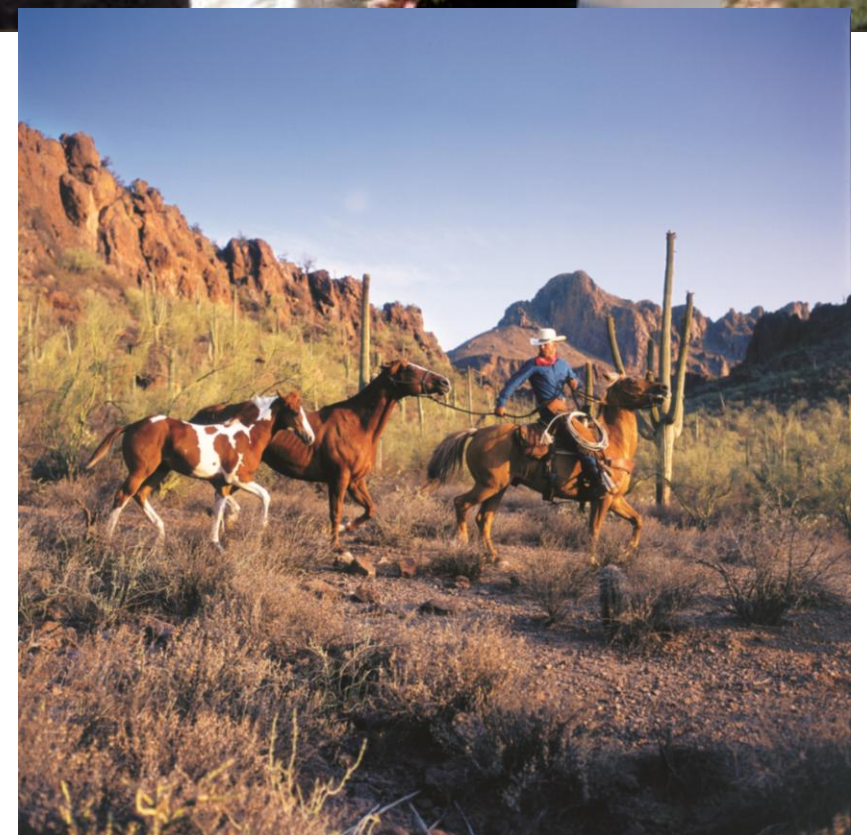


- Adventure experiences
- Nature
- Sports & Sports Related



What do they Want in AZ?

- New USA
- Iconic Locations
- Clean & Fresh
- Western USA – Cowboy Culture
- Native American
- Seasonal Weather
- Warm West Coast



The Independent Traveler (FIT)

Long accustomed to fly-by-night group tours, the new Chinese tourist is increasingly independent and demanding of more unique and authentic experiences when they travel. While group tourism still dominates, brands face challenges in serving the new Chinese tourist.



- *Skift Report 2013*

Characteristics of independent outbound Chinese

- **Younger**
- **Richer**
- **More educated**
- **More sophisticated travelers**
- **Demanding**
- **Enjoys indulging**
- **More connected**
- **Eager for unique travel experiences**
- **Plan extensively**
- **Stay in one destination for longer periods**



Traveler Traits and Preferences

“If I want the Chinese traveler, do I have to have slippers and tea pots in the rooms?”

- Will try local foods, but they also like Chinese.
- Well-appointed accommodations – (with Wifi!)
- Brand loyal
- They like busy agendas, some activities should be planned.
- They like soft adventures
- They do like mixing with locals
- Having a bilingual guide or materials is a plus, but not a deal-breaker.



China Travel Trade Landscape

Traditional Travel Agencies

CITS
CYTS
CTS

TTS
U Tour
Jinjiang Tours

Spring Int'l Travel
GZL
Guangdong CTS

Receptive Services

Lulutrip
Lion Tours

Galaxy Tours
Hyde International

All Americas
American International Tours

OTAs – Online Travel Agencies

Ctrip
Qunar

Tuniu
E Long

Woqu
Lulutrip



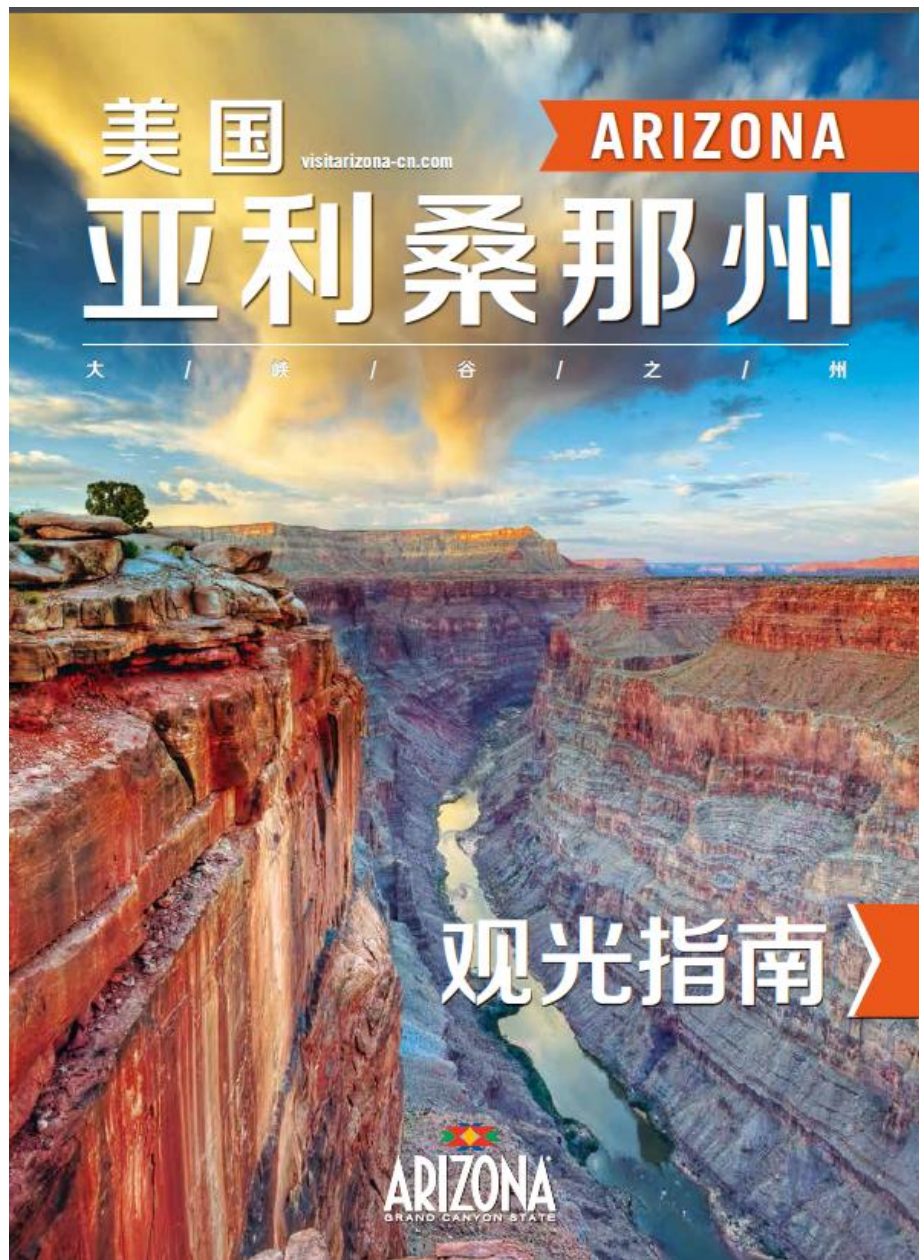
How to Work with the Trade



- Suggested itineraries
 - ❖ general
 - ❖ niche-based
- Packages
- Receptive companies

Our Marketing Activities

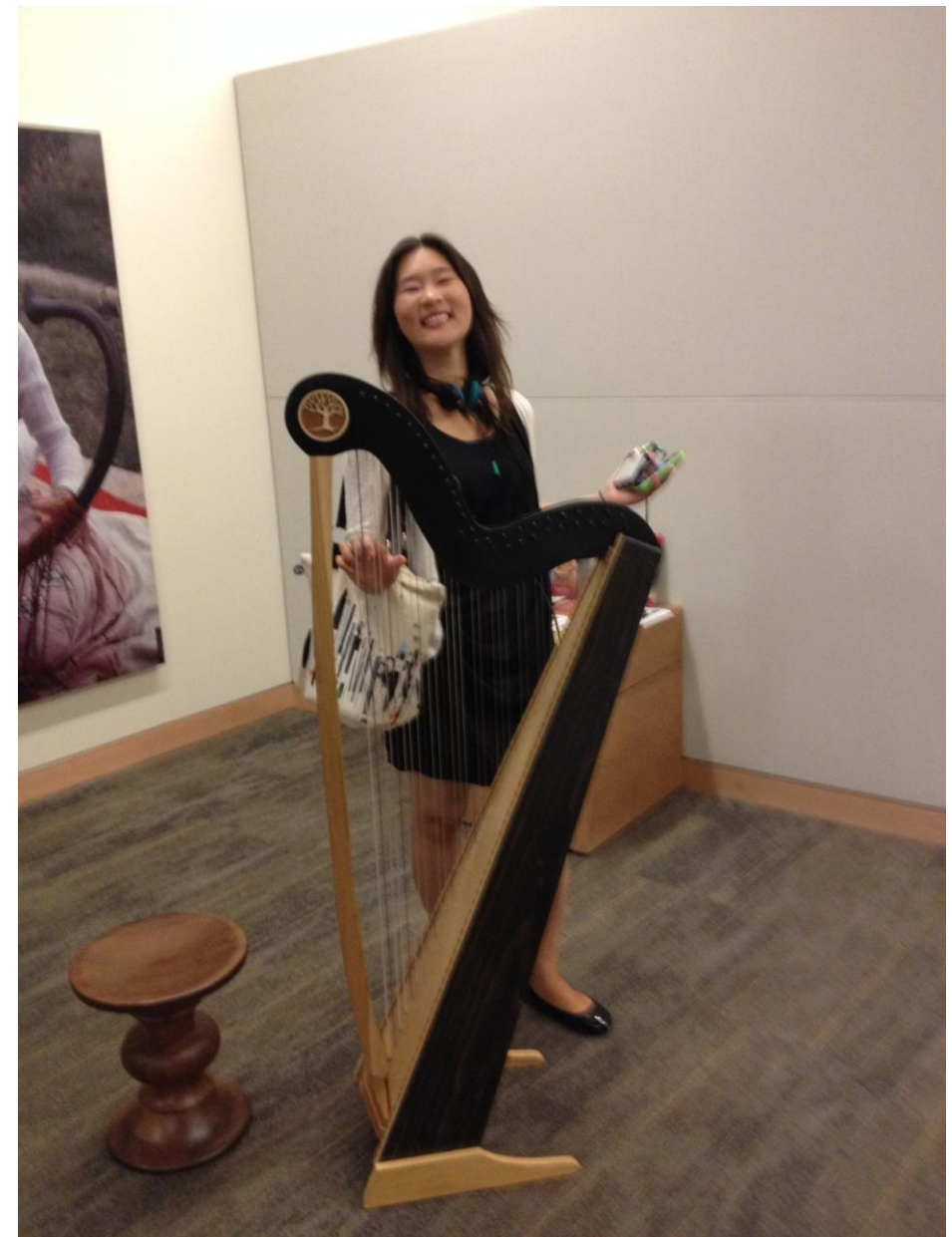
VisitArizona.cn.com



Chinese language brochure

Trade Activity & Opportunities

- Familiarization Trips (FAMs)
- October 2013 & October 2014



Trade Activity & Opportunities

- Trade and Media Mission – January 2014
- CITM – November (Brand USA Pavilion)



Where Do They Get Information?



Media Landscape

- Newspapers – Over 200. 16 National Dailies with circulations of 480,000+
- Magazines - numerous. 50 lifestyle, tourism and fashion magazines. Avg circulation 80,000+
- Leading consumer travel publications: Conde Nast Traveler, Voyage, National Geographic Traveler, Travel + Leisure, etc.
- Travel Trade publications- 13.
Magazines – 11 (circ: 50,000+)
Newspapers-2 (circulation 150,000+)
- Newswires, television, radio



Online and Mobile

Put it in perspective:

- Population = 1.37 billion

ONLINE

- Internet Users-686 million
 - larger than the population of EU

MOBILE CONNECTION

- 700 million smart phone users
- 500 million mobile web users



Social Media Landscape

- Portals- Sina, Sohu
- Social network/Microblog -**Weibo** (Twitter)
- IM/Chat – **Wechat** (Facebook)
- Video – Youku Tudou
- Other - social networking, forums



Selection Tools

- 1. Travel Agencies:** Travel agencies remain the dominant destination selection tool
- 2. Online channels:** Including destination websites, travel portals, social networking channels, and blogs are soaring in importance as a destination selection channel
- 3. Word of Mouth:** “Bragging rights” are extremely important in the China market

PR Activities & Opportunities

- Monthly enewsletters
- Press Releases
- Social Media (Weibo)
- 2 Press Trips and 7 Individual Journalists
- Sales & Media Mission January 2014

newsletter and Press Releases



美国亚利桑那州旅游局2014年10月新闻通讯





2014图森自行车赛

一年一度的图森自行车赛将于11月22日，星期六举行。此赛事是美国最大的面向全年龄段的自行车赛，每年在感恩节前的星期六举行，已经吸引了来自美国和全世界超过9000名自行车手参与。车手可以沿着图森市骑行104英里或者在环形赛道上骑行40公里。此外，还有一个四分之一英里的趣味骑行比赛。

[浏览更多...](#)

亚利桑那州文化之旅：

古老的印第安文化

在“大峡谷之州”（Grand Canyon State）亚利桑那（Arizona），奔腾不息的科罗拉多河犹如一位伟大的雕刻大师，在经过数百万年的精心雕琢，将手在亚利桑那州西北部的沙漠高原上，创造出世界闻名的自然景观——“科罗拉多大峡谷”。

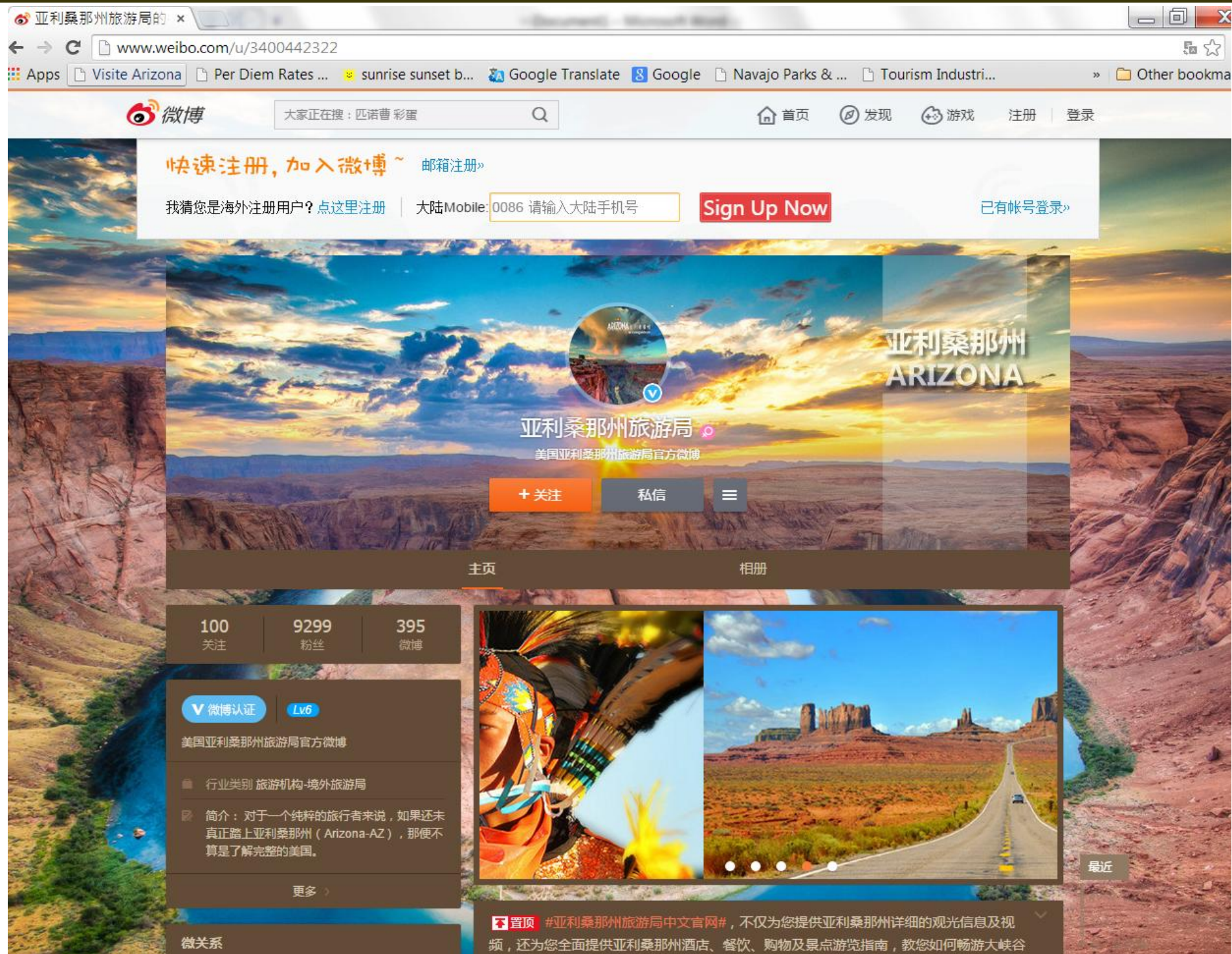
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亚利桑那州简介

对于一个初到的旅行者来说，如果还未真正踏上过亚利桑那州，那便不算了解完整的美国。被誉为“大峡谷之州”的亚利桑那州位于美国西南部，首府凤凰城，地域辽阔，东接新墨西哥州，南与墨西哥共和国毗连，西隔科罗拉多河与加利福尼亚州相望。亚利桑那州又有美国最大的法定美洲印第安人部落，而绵延277英里的大峡谷国家公园是亚利桑那州最具标志性的自然奇观，科罗拉多河自科罗拉多山而过，顺势流向西南方向，而距谷底一英里多高的上方则矗立着一道道陡峭的岩石墙，令人叹为观止。

Social Media



Chinese Media Press Trip Nov 2014



**Visited: Phoenix, Monument Valley, Grand Canyon,
Williams, Sedona, Tucson, Scottsdale**

7 Journalists Representing: Outdoor Magazine, DEEP, BQ
Magazine, Travel+, Driving Tour Magazine,
Photographer/Blogger/Key Opinion Leader, Traveler &
Photography

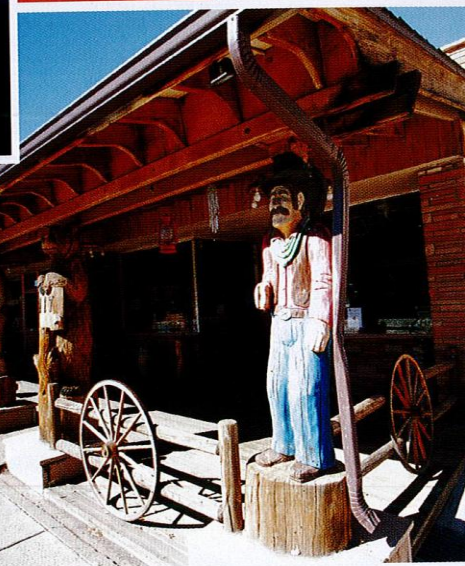
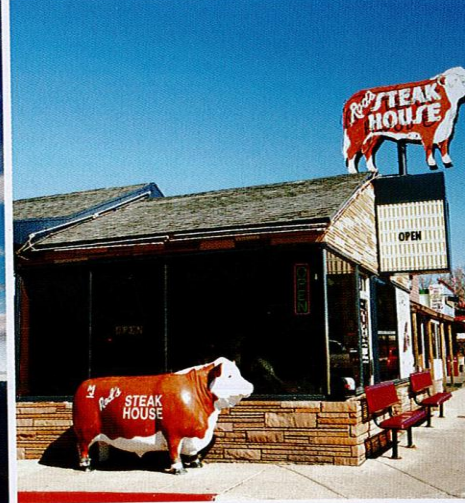
Results

Reached circulation of 2,400,000

Total Ad Value: \$1,121,302

Driving Through American Dream In Arizona

穿越亚利桑那魔力荒漠



LOCATION
OUTDOOR ACTIVITY

大峡谷
Grand Canyon

徒步感受“天使之路”

Key Opinion Leader (KOL)

← → ↻ blog.sina.com.cn/u/1078559203

Apps Visite Arizona Per Diem Rates ... sunrise sunset b... Google Translate Google Navajo Parks & ... Tourism Industri...

sina 新浪博客 美国顶尖公司头脑风暴的秘密 登录 注册

国际高端家电品牌
Casarte
卡萨帝

卡萨帝MLA
11月25日
梁冬携手胡紫薇、马家辉
探秘爱情
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穆杉伯男 ✓

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博客等级: 21
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博文

【澳门】驾控大赛车之旅 & 秋末葡式街拍 (2014-11-18 11:57)

+ 转载



踏入11月，我所生活的京城已入深秋，如果你是个爱得瑟不愿意穿棉衣的“小年轻”，估计已经被冻的不轻。我这天走南闯北，成天跌打损伤的老胳膊老腿儿的早就在9

Weibo

游局的 x 北美微博广场 x 穆杉伯男_新浪博客 x 穆杉伯男的微博_微博 x

www.weibo.com/mushanbonan?topnav=1&wvr=5&topsug=1

Arizona | Per Diem Rates ... | sunrise sunset b... | Google Translate | Google | Navajo Parks & ... | Tourism Industri...

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知名商业摄影师，职业环球旅行者，秋鸿映画摄影机构创始人

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知名商业摄影师，职业环球旅行者，秋鸿映画摄影机构创始人

北京 朝阳区

公司 秋鸿映画

简介：职业撰稿/自媒体人，汽车评测试驾，数码时尚控，旅游卫视嘉宾，历任新华社中国影像门户旅行频道主编，新锐摄影杂志主编，优众网商业摄影总监，Poco北京站站长

个性域名：mushanbonan

置顶 用双腿丈量巴西850多万平方公里的国土可不是什么好主意，不如和我一样飞起来，选择使用滑翔伞去俯瞰脚下的风景！我在巴西旅行的第一支宣传片已经出炉啦，不过只有2分钟，哎！看的好不过瘾那，感谢超级辛苦的摄制团队 #Find巴西至美一拍#

@OPPO 连接在此  Find巴西·至美一拍...

 Find巴西·至美一拍——穆杉伯男 "...
OPPO诚邀著名摄影师——穆杉伯男前往巴西，用OPPO Find 7旗舰拍照手

播放 | 3

7月9日 11:25 来自 微博 weibo.com

收藏 | 转发 1247 | 评论 419 | 51

广美——冥冥中我与这里有缘，已经数不清连续第几年来这里讲课，与学生们分享艺术创...

A large red banner with the text "自驾游" (Driving Tour) in a stylized font. Above the main text is the phrase "中国自驾旅行第一品" (China's First Product for Self-driving Travel). Below the main text is the English phrase "DRIVING TOUR". The background features a stylized mountain range.



是今年我们会赶回来的。”餐桌上聚集了安妮的家人和朋友，没有几个土生土长的莱利泉人，但所有人都因为成达或湖的缘故爱上了这里，留在了这里。或许，这就是纯真的美国西部生活吧，莱利自有魔力，只要拥有梦想和包容一切的心胸，沙漠也要温柔乡。

Chen Xia / Mushan Bonan



2nd Chinese Media Press Trip

October 2014



Visited: Phoenix, Page, Antelope Canyon, Lake Powell, Grand Canyon, Williams, Sedona, Scottsdale

8 Journalists Representing: Fellow Traveler, Traveler & Photographer, National Geographic Traveler, China.com, Nan Fang Media Group, Conde Nast Traveler Digital, eLong, Traveler Magazine

Chinese Journalists

October 2013	Red, White and Blue, Qu Yuping, WiTrip
December 2013	Golf Shoot Out, Qing Huang, Golf Digest China and Wang Hao, Golf Week China
March 2014	Insiders Arizona, Zhang Bing, Travel + Leisure
May 2014	Grand Canyon Whitewater Rafting, Chen Xia, Outdoor Exploration
FY 14	5 Individual Journalists
October 2014	Aged to Perfection, Wang Jiamei, Global Times
November 2014	Havasupai Falls, Kelvin Li, National Geographic
FY 15 to date	2 Individual Journalists

Working Together

美国亚利桑那 深度行





谢谢
Thank you!



Jennifer Sutcliffe, Travel Industry Marketing Manager
Kimberly Todd, Media Relations Manager-International